

(3) when the transfers are made by mail, messenger, automated teller machine or in person.

(c) Withdrawals from a deposit described in § 329.1(b)(3) are not deemed to be included within the six transfers permitted for a nondemand deposit by that paragraph (3) when the withdrawals are made by mail, messenger, telephone (via check mailed to the depositor), automated teller machine, or in person.

**§ 329.102 Deposits described in § 329.1(b)(3).**

This interpretive rule explains the second proviso of § 329.1(b)(3).

(a) No deposit described in § 329.1(b)(3) that is held by an organization that is not organized for profit and that is described in paragraphs 501(c)(3) through (13) and (19) and section 528 of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)(3) through (13) and (19), and 528) is deemed to be a demand deposit. Actual Internal Revenue Service documentation of the organization's tax-exempt status is not required; it is merely an aid in making the determination.

(b) No deposit described in § 329.1(b)(3) that is held by a depositor identified in section 2(a)(2) of Pub. L. 93-100 (12 U.S.C. 1832(a)(2))—whether the deposit is used for business purposes or otherwise—is deemed to be a demand deposit.

(c) No deposit described in § 329.1(b)(3) that represents funds held in a fiduciary capacity (whether the fiduciary is a natural person or otherwise) is deemed to be a demand deposit if all the beneficiaries of the account are natural persons.

**§ 329.103 Premiums.**

This interpretive rule describes certain payments that are not deemed to be *interest* as defined in § 329.1(c).

(a) Premiums, whether in the form of merchandise, credit, or cash, given by a bank to the holder of a deposit will not be regarded as *interest* as defined in § 329.1(c) if:

(1) The premium is given to the depositor only at the time of the opening of a new account or an addition to an existing account;

(2) No more than two premiums per deposit are given in any twelve-month

interval; and (3) the value of the premium (in the case of merchandise, the total cost to the bank, including shipping, warehousing, packaging, and handling costs) does not exceed \$10 for a deposit of less than \$5,000 or \$20 for a deposit of \$5,000 or more.

(b) The costs of premiums may not be averaged.

(c) A bank may not solicit funds for deposit on the basis that the bank will divide the funds into several accounts for the purpose of enabling the bank to pay the depositor more than two premiums within a twelve-month interval on the solicited funds.

(d) The bank must retain sufficient information for examiners to determine that the requirements of this section have been satisfied.

(e) Notwithstanding paragraph (a) of this section, any premium that is not, directly or indirectly, related to or dependent on the balance in a demand deposit account and the duration of the account balance shall not be considered the payment of interest on a demand deposit account and shall not be subject to the limitations in paragraph (a) of this section.

[51 FR 10808, Mar. 31, 1986, as amended at 62 FR 40732, July 30, 1997]

**§ 329.104 Ten-day grace period.**

This interpretive rule provides for 10-day grace periods during which interest may be paid on a deposit without violating § 329.2.

(a) During the ten calendar days following the maturity of a time deposit, the bank may continue to pay interest on the matured deposit at the contract rate of the deposit, or at any lesser rate, if the deposit contract provides for such post-maturity interest. The payment of such post-maturity interest will not be regarded as the payment of interest on a demand deposit.

(b) If a time deposit is renewed within ten calendar days after maturity, the renewed deposit may be dated back to the maturity date of the matured deposit and may draw interest from that date. The payment of such additional interest will not be regarded as the payment of interest on a demand deposit.

(c) If a time or savings deposit is renewed within ten days after expiration

of the period of notice given with respect to its repayment, the renewed deposit may draw interest from the date such notice period expired. The payment of such additional interest will not be regarded as the payment of interest on a demand deposit.

## PART 330—DEPOSIT INSURANCE COVERAGE

Sec.

- 330.1 Definitions.
- 330.2 Authority and purpose.
- 330.3 General principles.
- 330.4 Recognition of deposit ownership and recordkeeping requirements.
- 330.5 Single ownership accounts.
- 330.6 Accounts held by an agent, nominee, guardian, custodian or conservator.
- 330.7 Joint ownership accounts.
- 330.8 Revocable trust accounts.
- 330.9 Accounts of a corporation, partnership or unincorporated association.
- 330.10 Accounts held by a depository institution as the trustee of an irrevocable trust.
- 330.11 Irrevocable trust accounts.
- 330.12 Retirement and other employee benefit plan accounts.
- 330.13 Bank investment contracts.
- 330.14 Public unit accounts.
- 330.15 Notice to depositors.
- 330.16 Effective dates.

AUTHORITY: 12 U.S.C. 1813(l), 1813(m), 1817(i), 1818(q), 1819[Tenth], 1820(f), 1821(a), 1822(c).

SOURCE: 55 FR 20122, May 15, 1990, unless otherwise noted.

### § 330.1 Definitions.

For the purposes of this part:

(a) *Act* means the Federal Deposit Insurance Act (12 U.S.C. 1811 *et seq.*).

(b) *Default* has the same meaning as provided under section 3(x) of the Act (12 U.S.C. 1813(x)).

(c) *Deposit* has the same meaning as provided under section 3(l) of the Act (12 U.S.C. 1813(l)).

(d) *Deposit account records* means account ledgers, signature cards, certificates of deposit, passbooks, corporate resolutions authorizing accounts in the possession of the insured depository institution and other books and records of the insured depository institution, including records maintained by computer, which relate to the insured depository institution's deposit taking function, but does not mean account

statements, deposit slips, items deposited or cancelled checks.

(e) *FDIC* means the Federal Deposit Insurance Corporation.

(f) *Insured deposit* has the same meaning as that provided under subsection 3(m)(1) of the Act (12 U.S.C. 1813(m)(1)).

(g) *Insured depository institution* is any depository institution whose deposits are insured pursuant to the Act, including a foreign bank having an insured branch.

(h) *Insured branch* means a branch of a foreign bank any deposits in which are insured in accordance with the provisions of the Act.

(i) *Natural person* means a human being.

(j) *Trust funds* means funds held by an insured depository institution as trustee pursuant to any irrevocable trust established pursuant to any statute or written trust agreement.

(k) *Trust estate* means the determinable and beneficial interest of a beneficiary or principal in trust funds but does not include the beneficial interest of an heir or devisee in a decedent's estate.

[55 FR 20122, May 15, 1990, as amended at 58 FR 29963, May 25, 1993]

### § 330.2 Authority and purpose.

Section 311 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), Pub. L. 102-242, 105 Stat. 2236, amended sections 3, 7 and 11 of the Federal Deposit Insurance Act (FDI Act), 12 U.S.C. 1813, 1817 and 1821, which govern the amount of deposit insurance provided by the FDIC. Section 311 of FDICIA deleted the provision in section 3 of the Federal Deposit Insurance Act which authorized the FDIC to clarify and define, by regulation, the extent of deposit insurance coverage resulting from subsections 3(m)(1), 3(p), 7(i) and 11(a) of the FDI Act, 12 U.S.C. 1813(m)(1), 1813(p), 1817(i) and 1821(a) and to define the terms used in those sections. However, FDICIA did not change the FDIC's authority, in section 9 [Tenth] of the FDI Act, to prescribe by its Board of Directors such rules and regulations as it may deem necessary to carry out the provisions of the FDI Act or of any other law which it has the responsibility of administering or enforcing (except to the